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**ARKANSAS  
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D. David Slaton  
Chief of  
Commissioners' Staff  
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May 22, 1998

Magalie Roman Salas, Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

RE: *Program to Monitor Impacts of Universal Service Support Mechanisms*  
CC Docket No. 96-45  
CCB-IAD File No. 98-101

Dear Ms. Salas:

Enclosed please find an original and four copies of the comments of the Arkansas Public Service Commission for filing in this docket. I have also enclosed an additional copy and stamped, self-addressed envelope, and would appreciate it greatly if this copy could be filemarked and returned to the APSC. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne McCormick".

Suzanne McCormick  
Research & Policy Division

Enc.

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**BEFORE THE  
FEDERAL COMMUNICATIONS COMMISSION**

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**PROGRAM TO MONITOR IMPACTS )  
OF UNIVERSAL SERVICE SUPPORT )  
MECHANISMS )  
)**

**CC DOCKET NO. 96-45  
CCB-IAD File No. 98-101**

**Comments of the  
ARKANSAS PUBLIC SERVICE COMMISSION**

MAY 25 1998  
FEDERAL COMMUNICATIONS COMMISSION  
RECEIVED

On April 24, 1998, the Common Carrier Bureau (the Bureau) of the Federal Communications Commission (FCC) issued a Public Notice seeking comment on the Bureau's proposed monitoring program and Monitoring Reports designed to assist the FCC in assessing and evaluating the new universal service support mechanisms established by section 254 of the Communications Act, as amended. The Arkansas Public Service Commission (APSC) files these comments in response to the Bureau's Public Notice.

The APSC supports the Bureau's proposal to utilize the structure and content of the Monitoring Reports developed in CC Docket No. 80-286. The Monitoring Reports that have been issued over the past ten years have been beneficial to the APSC's consideration of issues such as subscribership rates, Lifeline and LinkUp programs, growth of the network, and universal service support. The APSC believes that expanding the focus of the Monitoring Reports and making it a more comprehensive reference source would be beneficial to not only the FCC and State regulatory agencies, but also to lawmakers, public policy interest groups and consumer organizations.

The APSC believes, however, that the current information on subscribership could be further "broken down" to reflect specific areas that have particularly low subscribership rates, such as the Mississippi delta region, the Appalachian Mountain region, federally designated American Indian reservations, and urban areas traditionally identified as "inner cities." States such as Arkansas that appear to have subscribership rates below the national average would be better positioned to address subscribership problems if such disaggregated data were included in the Monitoring Reports.

The APSC also supports the Bureau's proposal to supplement the Monitoring Report data on federal mechanisms with corresponding data on State universal service mechanisms, as such information will assist States in evaluating their own programs *vis-a-vis* other States' programs. The APSC has contracted with NECA to serve as the Administrator of the Arkansas Universal Service Fund, and believes that other States that offer universal service programs have made similar arrangements. Thus, NECA has access to specific, detailed information on several State universal service programs, such as the monthly amounts collected from and disbursed to each participating telecommunications provider, and the particular expenses that are compensable pursuant to the State universal service programs. The amount of monthly State universal service end user surcharges, if applicable, would also be beneficial to the States. For those States that administer their own programs or use an Administrator other than NECA, general information such as that described above would most likely be available.

The collection and inclusion of relevant data from other public sources, such as the Bureau of Labor Statistics and the Census Bureau, could be beneficial to those States that are attempting to improve subscribership while maintaining affordable local rates. Such data could

also benefit those States that are rural, have high unemployment rates, or have relatively low per capita incomes, as it could assist in better targeting the existing subsidy programs. Financial information collected from the Rural Utilities Service could be helpful in determining if a telecommunications provider is participating in other support programs, such as the RUS technology grant program, allowing the State to coordinate its own universal service program with existing federal programs and more efficiently target funding to needy areas.

The APSC also supports supplementing the Monitoring Reports with relevant data from the Department of Education, as that agency has access to useful data such as state-specific standardized test scores, remediation rates, participation in school lunch programs, and state spending levels per student. Such information should be disaggregated to the greatest extent possible, ideally by school district, to assist both the FCC and the States in identifying those districts that may qualify for federal and State universal service programs. The ongoing review of such information could also assist in the evaluation of the schools and libraries subsidy program, to determine if funds disbursed through this program are resulting in improved test scores, decreased remediation rates, and other measures of academic success. Coordinating the FCC's efforts with the Department of Education offers the opportunity to develop meaningful analyses of the schools and libraries subsidy program to assure regulators and taxpayers that this new program is providing measurable benefits to schools and their students. This information could also aid policy makers in identifying and addressing specific communications-related issues encountered by educators participating in the schools and libraries subsidy program.

Similarly, the Department of Health and Human Services may have access to state-specific data that could be used to identify rural areas that are plagued by a lack of health care

providers and medical facilities. Such data could assist in efforts to better target funds disbursed by the rural health care subsidy program, and to evaluate whether such expenditures are actually improving health care in rural areas.

The information that may be collected by the Bureau through its local competition survey in CC Docket No. 91-141 (CCB-IAD File No 98-102) is potentially beneficial to both the FCC and the States, as it may assist efforts to target universal service measures to those areas where local competition has not emerged. Including that information in the Monitoring Reports, if such information is updated periodically, could assist the FCC and the States in evaluating the need for continued support levels, allowing funding to be better targeted to those areas where market forces are not bringing the benefits of competition to consumers.

In conclusion, the APSC supports the Bureau's efforts to expand the focus of the Monitoring Reports, and encourages the FCC to use this opportunity to compile a comprehensive reference source that will assist in a thorough evaluation of the universal service support mechanisms that consumers are funding. The APSC believes that the FCC has the authority to access company-specific information, such as DEM support and other federal support mechanisms, that State regulatory bodies may be unable to obtain. Though the APSC is statutorily limited in its access to company-specific information, and believes that other States may be similarly limited, the FCC has much broader authority to access pertinent, detailed information. The FCC's ability to retrieve company-specific and state-specific data from telecommunications providers and present that information in the Monitoring Reports will minimize the effect of these limitations on ratepayers.